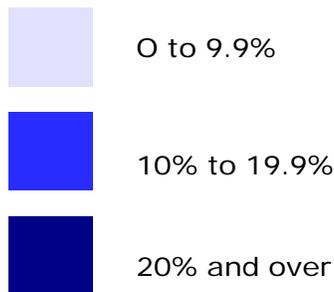
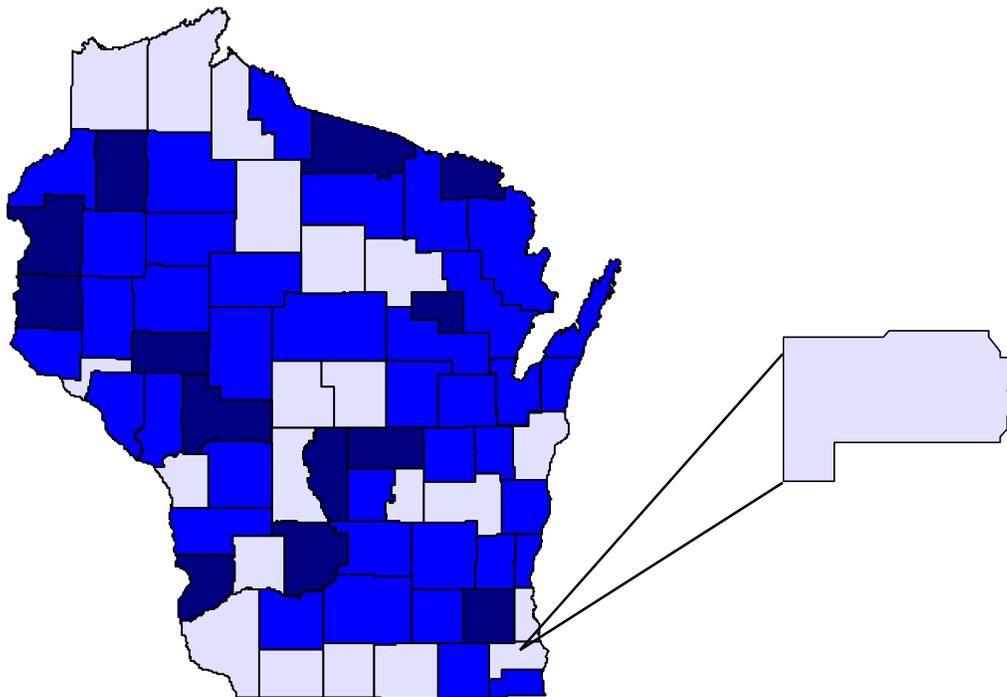


Racine County Workforce Profile

Job Growth 1994 to 1999



Wisconsin Department of Workforce Development
Division of Workforce Solutions
Bureau of Workforce Information
October 2001



State of Wisconsin
Department of Workforce Development

Introduction

The County Workforce Profile has been developed by the Wisconsin Department of Workforce Development's (DWD) Bureau of Workforce Information (BWI) to provide a broad overview of Racine County's labor market. The data included in this fourth year of publication is for 1999 to maintain consistency with the previous publications and to provide the user with a single year of reference in order to draw comparisons and form a picture of related labor force and employment information.

A variety of economic and demographic labor market information have been provided to describe the current labor market conditions in the counties and regions of Wisconsin. That information includes 1999 data on population, labor force, industries, employment, wages and income. The narrative describes how local conditions have changed over one-year and five-year intervals. Although population information is available from the 2000 census, it is not included in this publication since the period of time selected for all data sets is 1999. For more recent releases of information please consult the Wisconsin Department of Workforce Development Labor Market Information website: <http://www.dwd.state.wi.us/lmi>.

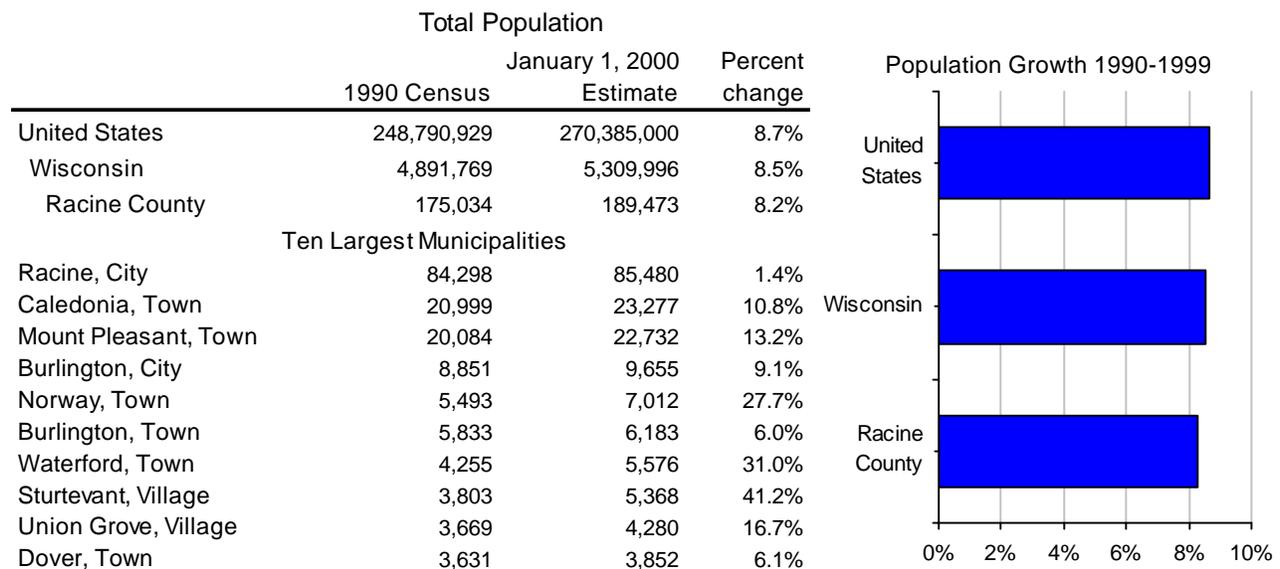
For more detailed information or clarification, please contact your local labor market analyst, Eric Grosso, by telephone (608-266-7034) or email (grosser@dwd.state.wi.us).

DWD is an equal opportunity service provider. If you need assistance to access services or material in an alternate format, please contact the analyst listed above.

Racine County Population and Civilian Labor Force

Racine County population grew 8.2 percent, just slightly under the growth rates of Wisconsin, 8.5 percent, and the United States, 8.7 percent, from 1990-1999. The City of Racine, which represents about 49 percent of the county's population, only experienced about 1.4 percent growth over the same time period. This low growth rate within the city limits is not unique to Racine, and, in fact, has been quite commonplace for mid-size and large cities across the country. Flight from the inner city areas to suburban towns and villages has been an ongoing dynamic for at least a few decades.

The Town of Waterford and the Village of Sturtevant, growing at 31 and 41.2 percent, respectively, are examples of smaller municipality growth, especially in the southern and western areas of Racine County. It is not surprising to see growth along the major traffic arteries in the county such as State Highway 20 which bisects the county east-west and provides a path to Interstate 94. Also, State Highway 31 gives access north and south to Milwaukee and Kenosha Counties where many Racine County residents work.



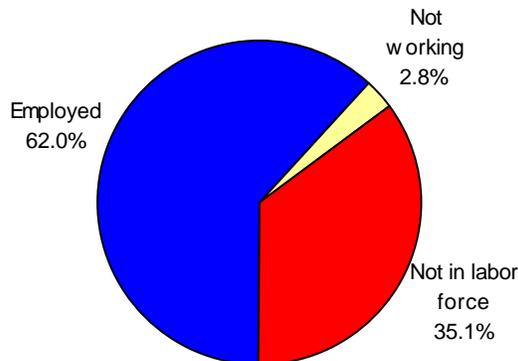
* Racine County portion only

Source: WI Dept. of Admin., Demographic Services Center, *Official Population Estimates*, January 1, 2000

The labor force is the sum of those employed and unemployed *that have actively sought work in the last month*. **Labor Force-eligible must be 16 years or older and not a member of an institutional population** such as a prison or an armed forces member living on a military base. The term “unemployed” does not necessarily include all people who are not working. For example, those who are retired or choose not to work are not considered unemployed. The phrase “Not Working” in the graph below assumes unemployed for the purposes of this profile.

Racine County’s 1999 labor force decreased by 2,300 over the year and by 900 over a five-year period. Gaining a better understanding of the dynamics that play in the labor force is crucial for economic, business and employment development. A key element of the labor force is the “labor force participation rate”. The participation rate examines the relationship between the labor force and those who are labor force-eligible, (described above). The participation rate for Racine County in 1999 is 64.9 percent (rounded). The pie chart to the left shows the shows 62.0 percent employed and 2.8 percent not working and looking for work which combines to form this 64.9 percent participation rate. This rate is lower than the state rate of 72.3 percent and the national rate of 67.1 percent. Racine County’s 1999 participation rate is lower than the 1998 rate of 67.2 percent and is expected to decline in year 2000 as well. So why the drop in labor force participation? Over the year, the percentage of people employed dropped by 2.5 percentage points (64.5 percent employed in 1998), but the percentage of unemployed only rose *one-tenth* of a percentage point (2.7 percent unemployed in 1998). *These percentages of unemployed should not be confused with the unemployment rate which is the number of unemployed divided by the total labor force*. This means that a small portion of the labor force, most likely in the employed

1999 Labor Force Participation



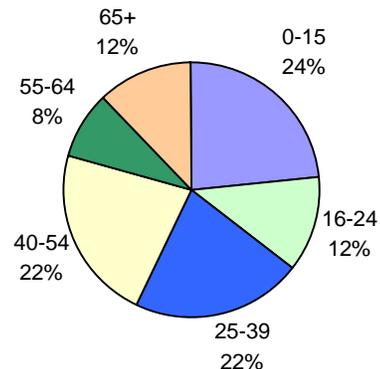
Source: Estimated from WI Dept of Administration population estimates, Jan 2000, US Census Bureau, and Local Area Unemployment Statistics

portion in 1998, has since left the labor force completely and are now represented in the “not in labor force” portion of the graph. Demographics play a large part of this fluctuation as the population distribution graph and table below show a large increase in the baby boomer age cohort (40-54 years of age) and in those 65 and over, whom are more apt to retire and leave the labor force, and a decrease of those 25 to 39 years of age and low growth of the 16 to 24 age group who are likely to enter the labor force. In short, there are more in the population who are over the age of 16; that is, more are labor force eligible without an increase in the number of employed or unemployed.

Demographics play a large part of this fluctuation as the population distribution graph and table below show a large increase in the baby boomer age cohort (40-54 years of age) and in those 65 and over, whom are more apt to retire and leave the labor force, and a decrease of those 25 to 39 years of age and low growth of the 16 to 24 age group who are likely to enter the labor force. In short, there are more in the population who are over the age of 16; that is, more are labor force eligible without an increase in the number of employed or unemployed.

Racine County Labor Force Age Population Distribution

Age Group	Population		Percent change
	1990 Census	1999 Estimate	
0-15	43,931	44,837	2.1%
16-24	20,636	22,303	8.1%
25-39	43,761	40,956	-6.4%
40-54	30,576	41,938	37.2%
55-64	15,059	16,061	6.7%
65+	21,071	23,378	10.9%



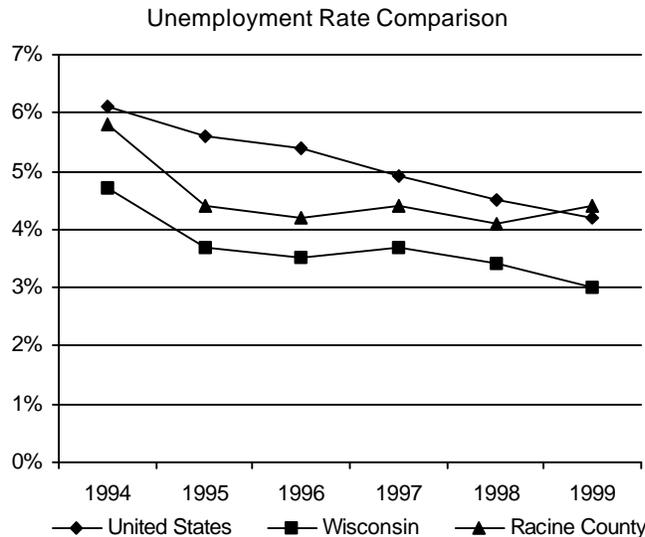
Source: Estimated from WI Dept of Admin, Demographic Services Center, Official Population Projections 1990-2020 and US Census Bureau

Racine County Civilian Labor Force Data

	1994	1995	1996	1997	1998	1999
Labor Force	91,800	92,300	93,900	93,800	93,200	90,900
Employed	86,500	88,200	89,900	89,700	89,400	86,900
Unemployed	5,360	4,030	3,970	4,100	3,790	3,990
Unemployment Rate	5.8%	4.4%	4.2%	4.4%	4.1%	4.4%

Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics

Racine County shows 900 (rounded), or just less than one percent, fewer people in the labor force since 1994. Composing this decrease are 400 more employed offset by 1,370 fewer or a 26 percent decrease in the number of unemployed. From 1994 to 1998, the number of those employed increased while the number of those unemployed decreased on a semi-annual basis. This has brought about a unemployment rate decrease from 5.8 percent in 1994 to 4.4 percent in 1999. Racine County unemployment rates have usually been nestled in between the average unemployment rates of the State of Wisconsin, which are typically lower than Racine County's and the U.S., typically higher than Racine County's.



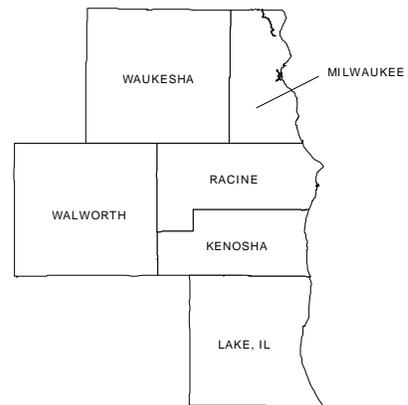
Source: WIDWD, Bureau of Workforce Information, Local Area Unemployment Statistics

The change from 1998-99, shows a dramatic decrease (2.8 percent) in the number of employed and a slight increase in unemployed.

Racine County's labor force figures show 86,900 people employed in 1999. This is juxtaposed to the nonfarm wage and salary figures on page 4 showing 82,200 total jobs in the county. The discrepancy is explained by the fact that jobs and employment status are measured by different surveys. Employment status measures who is employed by place of residence, regardless of the where the person works or how many jobs the person holds. The nonfarm employment survey measures by "place of employment" without consideration of the employees' residence. It is a fact that that Racine is located in a part of the state that has huge commuting interchanges along the southeast expressways. Racine and its presence of high paying manufacturing employment make for an attractive place of work for many non-Racine County residents (as do other counties' manufacturing employment for Racine County residents). The commuting data below show the patterns and net loss of Racine residents into other counties (and another state) for work, creating an imperative for workers from other areas to come into Racine everyday to fill labor demands.

Racine County Commuting Patterns

	Commute Into	Commute From	Net Commute
Kenosha County	3,829	5,334	1,505
Illinois	1,610	628	-982
Milwaukee County	9,608	3,031	-6,577
Walworth County	1,056	830	-226
Waukesha County	2,436	1,488	-948
Total	18,539	11,311	-7,228
Work within Racine County	64,211		

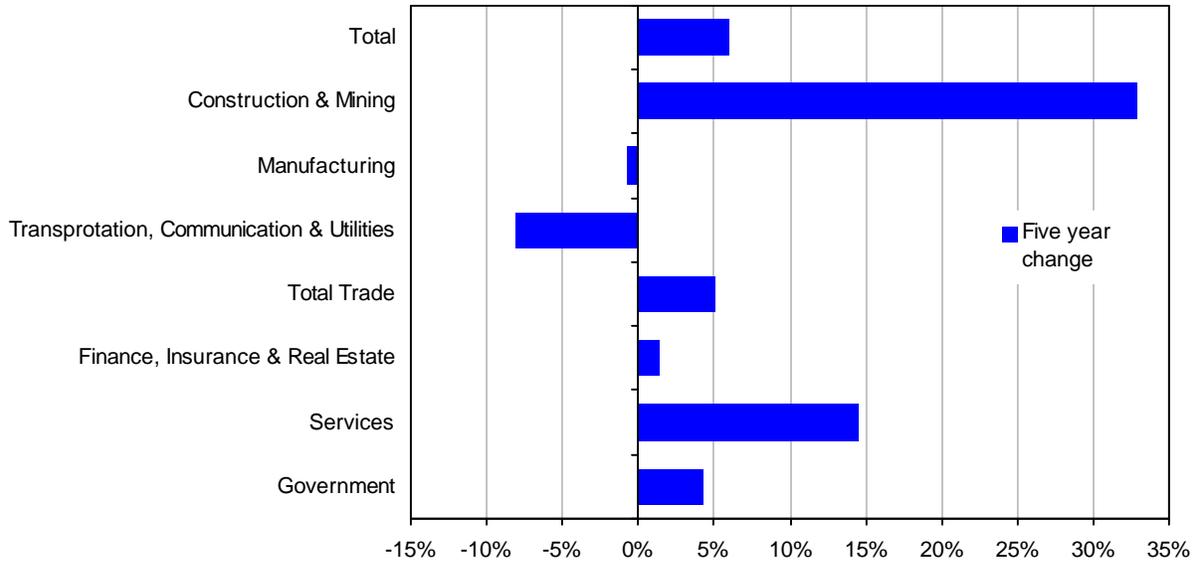


Source: WI DWD, Bureau of Workforce Information. Wisconsin's Commuting Patterns, 1994.

Racine County experiences a net out-commute of over 7,000 residents each day. The net export of residents to jobs outside of the county represents less than 10 percent of Racine County's workforce. Kenosha County, on the other hand, experiences a net export of almost 30 percent (speculated) of the county's labor force. However, Racine County appears to be slowly changing. **The number of workers commuting to work outside of Racine County has likely increased since the 1990 Census from which this data is derived. New commuting data from the Census Bureau will not be available until late 2002.**

Most of Racine County's commuters can be grouped into two categories. The first group can be described as the traditional industrial commuter. This group represents workers who are employed by manufacturers across southeastern Wisconsin. Many of these workers drive to older employment centers in nearby Kenosha and Milwaukee Counties. The second category of commuter can be described as the emerging market commuter. This type of commuter is more likely to be employed in a newer business park located near an interstate highway or employed in downtown Milwaukee. This type of commuter most likely is employed in the service-producing sectors of the economy.

Racine County Employment Change by Industry 1994 to 1999



	1994	1995	1996	1997	1998	1999	1 year	5 year
Total	77,572	79,076	79,341	80,241	81,496	82,203	0.9%	6.0%
Goods Producing	27,348	28,037	28,124	28,318	28,784	28,067	-2.5%	2.6%
Construction & Mining	2,722	2,812	2,915	3,139	3,421	3,616	5.7%	32.9%
Manufacturing	24,626	25,225	25,209	25,179	25,363	24,451	-3.6%	-0.7%
Durable	15,684	16,399	16,637	16,839	17,205	16,244	-5.6%	3.6%
Nondurable	8,943	8,826	8,572	8,341	8,158	8,207	0.6%	-8.2%
Service Producing	50,224	51,040	51,217	51,923	52,712	54,136	2.7%	7.8%
Transportation, Communications & Utilities	2,603	2,911	2,773	2,483	2,539	2,394	-5.7%	-8.0%
Total Trade	16,453	16,264	16,330	16,420	16,836	17,283	2.7%	5.0%
Wholesale	2,377	2,462	2,691	2,985	3,179	3,394	6.8%	42.8%
Retail	14,076	13,803	13,639	13,435	13,657	13,889	1.7%	-1.3%
Finance, Insurance, and Real Estate	2,335	2,291	2,314	2,269	2,387	2,368	-0.8%	1.4%
Services & Misc.	19,593	20,259	20,429	21,417	21,455	22,449	4.6%	14.6%
Total Government	9,240	9,314	9,372	9,335	9,496	9,642	1.5%	4.4%

Source: WIDWD, Bureau of Workforce Information, Nonfarm Wage & Salary estimates.

The nonfarm wage and salary figures above outline the number of *jobs by industry* within Racine County. These data exclude agricultural, military and self-employed.

Racine County job growth is flat compared to the state rate of growth. Racine County job growth registered six percent over a five year period compared to the approximately 12 percent growth of the state. Racine County jobs grew one percent over the year compared to Wisconsin's 2.4 percent rate over that time period. Goods producing sectors such as manufacturing, which comprises 29.7 percent of the county's 1999 employment has declined over the year and declined 0.7 percent since 1994. The other goods producer, construction, has had explosive growth (33 percent) over the five year period, mostly in residential building. Service producing sectors are the high-growth industries in Wisconsin and the United States. Wholesale trade has the largest industry growth (42.8 percent) since 1994 in Racine County, employing those in distribution centers and other outlets selling "big ticket" durable goods and large quantities of nondurable items to consumers and retailers. Services and miscellaneous sectors had the third largest in growth in Racine County, and had the second largest growth in the state.

Racine County nonfarm jobs by industry breakdown looked like this for 1999: Manufacturing represented 29.7 percent of all employment; services and miscellaneous, 27.3 percent, wholesale and retail trade, 22.5 percent; government, 14.3 percent; finance, insurance and real estate (FIRE), 5.2 percent; transportation, communications and public utilities (TCPU), 4.7 percent; and construction and mining, 4.5 percent.

Racine County's Largest Industries and Employers

Top 10 Industry Groups

Industry Group	March 2000		Numerical Change	
	Employers	Employment	1 Year	5 Years
Health Services	198	7,682	359	538
Industrial Machinery And Equipment	112	6,502	-409	-110
Business Services	182	4,901	218	691
Educational Services	30	4,522	27	155
Eating And Drinking Places	243	4,311	135	-266
Electronic & Other Electric Equipment	29	3,829	113	186
Chemicals And Allied Products	6	3,251	-87	*
Executive, Legislative, And General	19	2,925	-25	*
Special Trade Contractors	315	2,287	-16	535
Wholesale Trade-Durable Goods	191	2,141	99	706

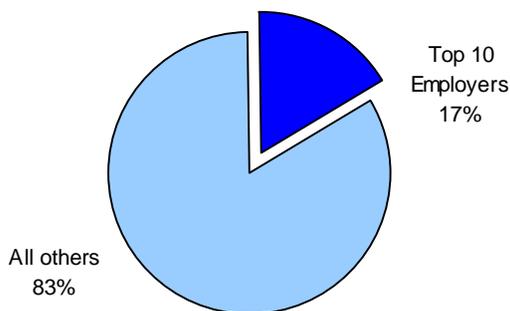
*data suppressed to maintain confidentiality

Top 10 Private Sector Employers

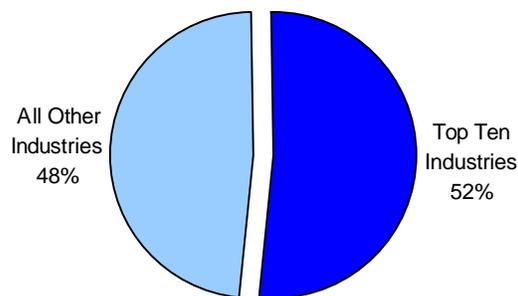
Company	Product or Service	Size
Case Corp	Farm and Construction Equipment	1000+
S C Johnson & Son Inc	Chemical and Allied Products-Consumer	1000+
St Mary's Medical Center Inc	Offices and Clinics of Doctors of Medicine	1000+
Emerson Electric Co	Household Appliances	1000+
Modine Mfg Co	Heat Transfer Products	500-999
Olsten Of Milwaukee Inc	Help Supply Services	500-999
Aurora Health Care Of Southern Lake	Offices and Clinics of Doctors of Medicine	500-999
All Saints St. Luke's Memorial	General Medical and Surgical Hospitals	500-999
Wisconsin Services Corp	Automobile and Other Motor Vehicles	500-999
Ganton Technologies Inc	Aluminum Die-Castings	500-999

Source: WI DWD, Bureau of Workforce Information Bureau, ES-202 file tape, 1st quarter 1999 and LMI benchmark 2000.

Top 10 Private Sector Employers
Share of Nonfarm Employment



Top 10 Industry Groups
Share of Nonfarm Employment



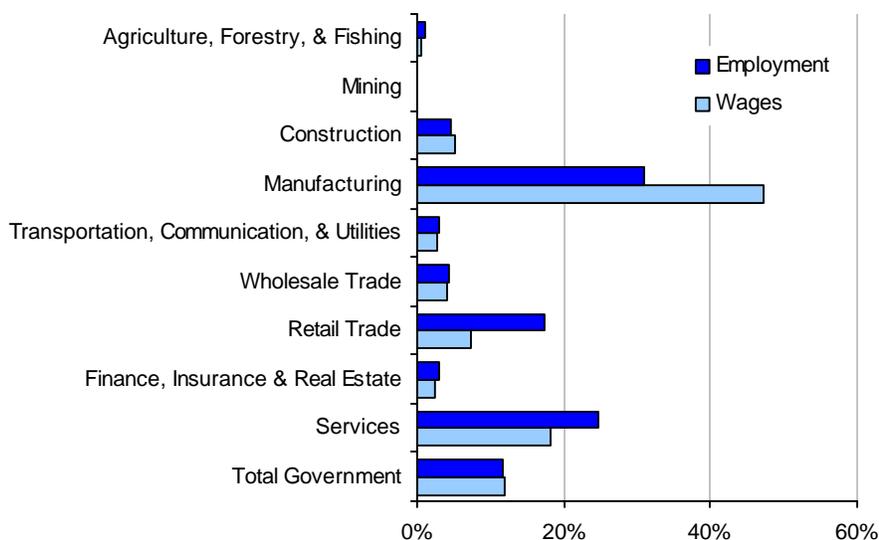
Racine County has 4,135 total employers, 97 percent of which are private employers and the remaining three percent in the public (government) sector. The top ten industry groups show a large dominance by the service-producing industries where once goods-producing industries used to rule. Health, business and educational services are very large industries in southern Wisconsin, particularly in the southeast corridor of the state where business service sectors contract out a sizeable portion of employment to area manufacturers. Chemical and allied products manufacturing is the dominant manufacturing industry in Racine County.

Case Corporation has overtaken S.C. Johnson & Son, Inc. as the largest employer in the county from March 1999 to March 2000, which shows that even though manufacturing has experienced a decline as a percentage of total employment, the manufacturers themselves are still large entities dependent upon labor from Racine and surrounding counties. Medical facilities, some durable goods producers and personnel-supply services round out the other largest employers in Racine County.

Racine County Employment and Wages 1999

	Annual Average Wage	State Average Wage	Percent of State Average	Percent change 1 year	Percent change 5 year	Number of Workers
All Industries	\$32,748	\$29,609	110.6%	4.5%	24.0%	79,485
Agriculture, Forestry, & Fishing	\$21,673	\$21,499	100.8%	1.1%	29.7%	774
Mining	*	\$39,968	*	*	*	*
Construction	\$38,221	\$36,772	103.9%	4.0%	20.5%	3,563
Manufacturing	\$50,150	\$37,773	132.8%	11.0%	31.7%	24,549
Transportation, Communications, & Utilities	\$30,012	\$34,523	86.9%	-4.4%	9.7%	2,294
Wholesale Trade	\$32,343	\$38,048	85.0%	2.7%	22.2%	3,362
Retail Trade	\$14,054	\$15,066	93.3%	4.8%	21.6%	13,766
Finance, Insurance, & Real estate	\$28,110	\$37,911	74.1%	-1.1%	24.4%	2,313
Services	\$23,977	\$26,041	92.1%	0.5%	20.5%	19,627
Total Government	\$33,699	\$32,017	105.3%	-2.3%	11.9%	9,192

Total Employment and Wage Distribution by Industry Division

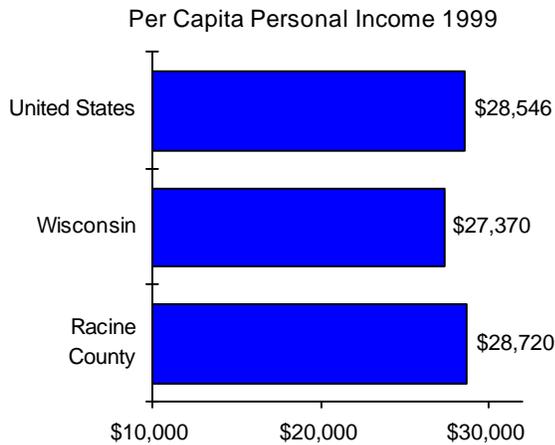


Source: WI DWD, Bureau of Workforce Information, *Employment, Wages and Taxes Due covered by Wisconsin's U.C. Law, Tables 209-211.*

The table at the top of the page displays average wages by industry and their relationship to the state's average industry wage. Strikingly, Racine's manufacturing wages, \$50,150 per annum, are almost one-third higher than the state manufacturing average. In fact, Racine County pays the highest manufacturing wages in the state with Kenosha and Milwaukee Counties the next closest in the \$44,000+ per year range. The reasons for these considerably higher wages: 1) manufacturers, particularly nondurable goods manufacturers in Racine County, are large and contain both the production workforce and the corporate headquartered management and executives who earn larger than average salaries, 2) many manufacturers, especially very large firms, have union affiliated labor under collective bargaining agreements, which tend to help leverage higher pay. Other industries, such as the FIRE sectors, offer quite lower than state average wages as the bulk of occupations in this industry tend to be lower paying and out of the realm of upper management.

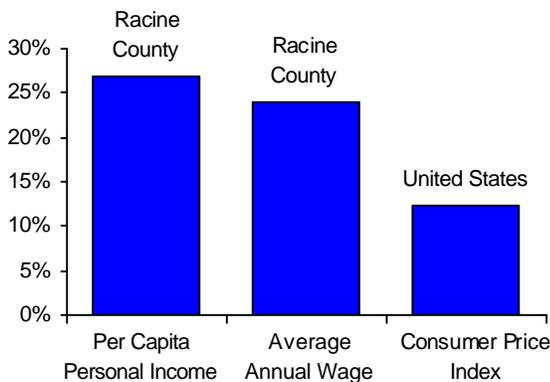
The employment/wage distribution graph shows the relationship between the percentage of industry employment in the county to the percentage of total annual wages paid by industry in Racine County. Manufacturing represents the largest portion of employment by industry and the industry's wages paid represent even more in this comparison, detailing even more so how dominant manufacturing is in Racine County. This is simply due to the much higher wages paid in manufacturing relative to other sectors. Conversely, retail trade represents a fairly large portion of Racine County's total employment but its wages paid as a percent of total wages paid in the county is very small due to a large volume of entry-level job holders and part-time scheduling. Construction employment and total government employment also show similarities to manufacturing's presence in the county via employment to wage ratio but not to as large of an extent and construction and government, combined, only make up about 19 percent of Racine County's total employment.

Racine County Wage and Income Data



Per capita personal income (PCPI) includes income from wages and self-employment, assets (dividends, interest, rental payments), and transfer payments (social security, unemployment insurance, welfare) divided by total population. PCPI is an interaction between income and population so there may be a great deal of overall revision and volatility in estimates as both components are re-estimated on a frequent basis. Racine County's 1999 PCPI, \$28,720, ranks seventh highest of Wisconsin's 72 counties, up from eighth in 1998. Racine County's PCPI grew 4.7 percent over this one year period, slightly faster than the state's 4.4 percent rate of growth.

Comparison of Selected Data: 1994 - 1999



Racine County's PCPI has grown 27 percent over the last five years, while the average wage earned in the county has grown at a 24 percent clip. The difference in these figures shows that income generation has diversified over the years. Income earned from interest-paid and dividends from the stock market became a larger part of the county's total income earned, while transfer payments from the government became a smaller part (along with job wages) of the income equation. For the most part, wages earned at place(s) of work accounts for about 69 percent of county income. The late 1990s saw this percentage decrease as low as 68.1 percent of the total income, with income earned from dividends and interest increasing and making up for the decrease in wages earned as part of the total.

Per Capita Personal Income

							Percent Change	
	1994	1995	1996	1997	1998	1999	1 year	5 year
United States	\$22,581	\$23,562	\$24,651	\$25,874	\$27,321	\$28,546	4.5%	26.4%
Wisconsin	\$21,699	\$22,573	\$23,554	\$24,791	\$26,227	\$27,370	4.4%	26.1%
Racine County	\$22,621	\$23,467	\$24,655	\$26,208	\$27,434	\$28,720	4.7%	27.0%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Selected Occupational Wage Data

	Mean	Median
Accountants and Auditors	\$ 17.52	\$ 16.43
Carpenters	\$ 16.89	\$ 17.91
General and Operations Managers	\$ 28.67	\$ 24.33
General Office Clerks	\$ 10.08	\$ 9.85
Hand Packers & Packagers	\$ 7.77	\$ 7.59
Janitors & Cleaners	\$ 8.11	\$ 7.54
Machinists	\$ 12.21	\$ 12.19
Nursing Aides/Orderlies/Attend.	\$ 9.63	\$ 9.32
Registered Nurses	\$ 19.00	\$ 18.88
Sales Reps, ex. retail/scientific	\$ 21.40	\$ 16.55
Salespersons, retail	\$ 8.35	\$ 7.18
Secretaries, ex. legal & medical	\$ 11.13	\$ 11.25
Team Assemblers	\$ 12.37	\$ 12.23
Tool & Die Makers	\$ 18.55	\$ 18.56
Truck Drivers, heavy/tractor trailer	\$ 15.16	\$ 14.54

The wages for the selected occupations in this table were reported by employers in the Racine metropolitan statistical area (MSA) who responded to the Occupational Employment Statistics (OES) survey. Employers from all Wisconsin counties participated in the survey but published data was limited to MSAs.

Wage structures are important information to the employer, the job seeker and the employed as career decisions and labor retention issues are contemplated. The mean or average wage is the sum of the occupation's wages divided by the sum of all those in the occupation. The median wage is the midpoint of all wages; there are exactly the same number of wage earners above and below this wage. If the median is significantly below the mean, an employer offering mean wages, theoretically, should capture most of the market. And along these lines, workers in this occupation will find it difficult to gain employment at this mean wage due to high competition for this placement.

Source: DWD, BWI, 1999 OES wage survey, Racine MSA